



**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

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GEOFFREY G. WHY  
COMMISSIONER

September 16, 2011

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

***Ex Parte Notice***

***In the Matter of Further Inquiry Into Certain Issues In the Universal Service-Intercarrier Compensation Transformation Proceeding, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket No. 01-92, 96-45, GN Docket No. 09-51;***

***In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link Up, WC Docket No. 03-109.***

Dear Ms. Dortch:

On Thursday, September 15, 2011, Geoffrey G. Why, Commissioner of the Massachusetts Department of Telecommunications and Cable (MDTC), and MDTC Hearing Officer Kalun Lee, met with Sharon Gillett, Chief of the Wireline Competition Bureau, and Carol Matthey, Deputy Chief of the Wireline Competition Bureau, at the FCC's offices in Washington, D.C., to discuss the above-referenced dockets. Also in attendance was J. Bradford Ramsay, General Counsel, National Association of Regulatory Utility Commissioners (NARUC).

Commissioner Why discussed points consistent with recent MDTC comments filed in the above-referenced dockets and provided the attached document to those in attendance as the basis for the discussions.

Commissioner Why addressed state preemption concerns and emphasized the continuing need for state agencies to ensure enforcement and oversight of carrier-of-last-resort (COLR)

Ms. Marlene Dortch  
September 16, 2011  
Page 2

obligations, eligible telecommunications carrier (ETC) designations, and intrastate rate-setting. This continued state oversight, Commissioner Why asserted, would best protect consumers and local competitive markets due to state commissions' intimate knowledge of local conditions and needs.

Commissioner Why noted that, as to intrastate access termination rates, Massachusetts has already rebalanced intrastate access rates to match the interstate rates of the state's dominant incumbent local exchange carrier (ILEC), and that the state permits carriers to charge higher rates if they can show a valid cost basis for them. Commissioner Why also emphasized that, as to intrastate access termination rates, Massachusetts has already addressed concerns regarding arbitrage by rebalancing the intrastate rate to match the interstate rate of the dominant ILEC in Massachusetts.

Commissioner Why also mentioned Massachusetts' status as a net-payor state and discussed a more equitable disbursement of the federal Universal Service Fund (USF), especially as the FCC considers expanding funding to rural and high-cost areas for broadband deployment in rural and high-cost areas.

In accordance with Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (617) 368-1141.

Sincerely,

/s/ Kerri J. DeYoung  
Kerri J. DeYoung, Counsel  
Competition Division

Massachusetts Department of  
Telecommunications and Cable  
1000 Washington Street, Suite 820  
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KJD/kd

Enc.

cc: Chief Sharon Gillett (w/enc.)  
Ms. Carol Matthey (w/enc.)  
J. Bradford Ramsay, Esq. (w/enc.)